

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Competitive Product Prices
Global Plus 1C Contracts (MC2012-6)
Negotiated Services Agreements

Docket No. MC2012-6
Docket No. CP2012-12
Docket No. CP2012-13

NOTICE AND ORDER ON REQUEST
CONCERNING GLOBAL PLUS 1C CONTRACTS

(Issued January 6, 2012)

Introduction. The Postal Service has filed a request to add Global Plus 1C Contracts, consisting of two Global Plus 1C agreements, to the competitive products list.¹ The instant agreements are set to begin on January 22, 2012, at the expiration of customers' current customized (Global Plus 1B) agreements.² *Id.* at 4-5.

Product history. Prices and classifications for Global Plus Contracts 1 were added to the competitive products list in 2008; several groupings within this product,

¹ Request of the United States Postal Service to Add Global Plus 1C to the Competitive Products List and Notice of Filing Two Functionally Equivalent Global Plus 1C Contracts Negotiated Service Agreements and Application for Non-Public Treatment of Materials Filed Under Seal, December 30, 2011 (Notice). The Notice was filed pursuant to 39 U.S.C. § 3642, 39 CFR 3020.30 et seq., and Order No. 112; the agreements were filed pursuant to Commission rule 3015.5.

² For an explanation of the duration of the instant contracts, see *id.* at 5.

including Global Plus 1A and Global Plus 1B, were later added. *Id.* at 1-2. The Postal Service describes the instant contracts as the immediate successors to, and counterparts of, the instruments the Commission found eligible for inclusion in the Global Plus 1B product in previous dockets.³ *Id.* at 4. It also says the contracts are on behalf of the same customers. *Id.*

Functional equivalence. The Postal Service addresses the functional equivalence of the two Global Plus 1C contracts, including a review of their similarities and differences. *Id.* at 5-6. It attributes any differences to the result of negotiations, and says they do not affect the Global Plus rate design or market characteristics. *Id.* at 6. It also notes that Global Plus 1C is distinct from Global Plus 1B due to the addition of Global Express Guaranteed and Commercial ePacket. *Id.* at 7. This distinction is reflected in a minor classification change and in the financial models. *Id.*

Other supporting material. The Postal Service has filed the two Global Plus 1C contracts and certain other material under seal. Attachment 1 to the Notice is an application for non-public treatment of that material. Attachments 2 through 4 include redacted versions of two pertinent Governors' Decisions; revised Mail Classification Schedule language; certifications and a related statement required under Commission rules; and redacted versions of the contracts.

Postal Service representations. The Postal Service asserts that its filing establishes that the new Global Plus 1C contracts are in compliance with the requirements of 39 U.S.C. § 3633; fit within the proposed MCS language for Global Plus Contracts based on the controlling Governors' Decisions; and are functionally equivalent to each other.⁴ It therefore requests that Global Plus 1C be added to the competitive product list; that the contracts included in this filing be included within the Global Plus 1C product; and that these contracts be considered the baseline

³ See Docket Nos. CP2011-399 and CP2011-40.

⁴ Governors' Decision No. 08-8 authorizes Global Plus 1 contracts. Governors' Decision No. 11-6 authorizes Postal Service management to prepare any necessary product description, including Mail Classification Schedule text, and to present such description to the Commission.

agreements for future functionally equivalency analyses for the Global Plus 1C product.
Id. at 9.

Initial Commission action. The Commission establishes three related dockets, designated as Docket Nos. MC2012-6, CP2012-12, and CP2012-13, to consider matters raised in the Notice. The Commission strongly encourages those interested in the Postal Service's proposal to review the filing in its entirety. Public portions of the Postal Service's filing can be accessed via the Commission's website, www.prc.gov. Commission rule 3007.40 (39 CFR 3007.40) addresses procedures for obtaining access to non-public information. Interested persons may submit comments on whether addition of the new product is consistent with the policies of 39 U.S.C. 3632 or 3633 and 39 CFR part 3015. Comments are due no later than January 17, 2012.

The Commission appoints James F. Callow to serve as Public Representative in the captioned filings.

It is ordered:

1. The Commission establishes Docket Nos. MC2012-6, CP2012-12, and CP2012-13 to consider matters raised by the Postal Service's Notice.
2. Comments by interested persons in these proceedings are due no later than January 17, 2012.
3. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as the officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary